

CLASSIFICATION SECRET
SECURITY INFORMATION
CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

25X1A

CD NO.

DATE DISTR. 9 July 1952

NO. OF PAGES 2

NO. OF ENCLS.
(LISTED BELOW)

SUPPLEMENT TO
REPORT NO.

25X1X

COUNTRY Germany (Russian Zone)

SUBJECT VEB Industrieentwurf

25X1C PLACE
ACQUIRED

DATE OF
INFO.

REFERENCE COPY

DO NOT CIRCULATE

1. Until the beginning of April 1952, VEB Industrieentwurf included the following enterprises:

VEB Industrieentwurf, works # 1, Berlin
VEB Industrieentwurf, works # 2, Berlin
VEB Industrieentwurf, Leipzig
VEB Industrieentwurf, Magdeburg
VEB Industrieentwurf, Schwerin

In April, the group was nominally dissolved and the enterprises were put under the DDR Ministry for Construction. The man now in charge of the enterprises is (fnu) Meier, State Secretary for Bauplanlenkung. Meier was with Baustab Projektierung Karlshorst, then at the Verwaltungsakademie Forst-Zinna until March 1952, when the State Secretariat was formed. Meier is reported to be a personal friend of Walter Ulbricht and is the SED supervisor over Minister Lothar Holz. Meier's assistant is (fnu) Krause, also a member of the SED; Krause is also in charge of the Sonderbaustab Berlin, located at Stalinallee.

2. VEB Industrieentwurf Berlin consisted, until the beginning of 1952, of a single works employing 300 people. In early 1952 the enterprise was split into two separate administrative establishments, both still located, however, at Am Kblnischen Park, Berlin SO. The reasons for the split seem to have been to encourage competition and thus increase efficiency and to reduce in size a unit which threatened to gain a monopoly position.
3. A contributory factor in the separation may have been the lack of SED members in the enterprise. There are only 50 Party members of the 500 employed at works one; the number at the second works is only slightly higher.

25X1A

4. When the split was made, Betriebsleiter Willi Schmidt of the old group was fired because he opposed the separation. The new second enterprise incorporated Baustab Projektierung Karls-horst. The present Betriebsleiter of plant # 1 is (fnu) Fischer and Günther Hirsch is the technical director; neither is an SED member. F. Winnig is Betriebsleiter of the second works, Otto Forst is technical chief. In the future both establishments are to employ about 500 workers. The employees of both enterprises are mostly architects, technicians, traffic and transportation experts, engineers, metallurgists and the like.
5. Each of the plants enumerated above can work in any part of the DDR. The tasks assigned the individual enterprises include the planning and construction of all buildings for VEB's, planning and construction of all Government structures as well as those for the SED, and planning and construction of special projects for Eastern bloc nations. All projects undertaken, however, must have been previously approved.
6. The procedure for a construction project is as follows: the organization concerned submits the plan to the ministry under which the originator falls. The ministry passes the plan on to VEB Industrie-entwurf with added technological data. In Industrieentwurf, the project is first put in the hands of the Work Preparation Department which sends surveyors to the site and which negotiates necessary contracts with the requesting organization. The contract stipulates that VEB Industrieentwurf will be responsible for the planning of the project and will have supervision of the construction.
7. The next step is the drawing up of a rough architectural plan (Rohplan) by the architectural section of Industrieentwurf. Next the project is processed by such technical departments as Statistics, Steel & Iron Construction, Cement Construction, Metallurgy & Machines, Electric In-stallation, Sanitation Installation, Heat and Fuel and Traffic Planning. Then the plan is passed on to other planning sections, such as Calculation, Material and Transport Supply, and Freight Control. The result is a pre-liminary construction plan which is forwarded to the ministry for approval or alterations. Finally, VEB Industrieentwurf makes up a final plan. Funds are made available by the ministry concerned through the Deutsche Investitionsbank.
8. Only a portion of the construction planning undertaken by the organiz-ation is overt. Some projects are filed and processed by their correct name, geographic location and designation of originating office; others, with authentic designations, are kept in Registry (Verschlussachen) or, in more important cases, by the chief or technical head of the VEB (Geheime Verschlussachen). In the latter category are, for instance, radio transmitters, telecommunications, large transformer works, etc.
9. In addition to these, the group also plans projects which are designated merely by letters or numbers; only a limited number of section heads and the head and technical chief know the complete project. No employee is permitted to know more than the portion of the project that directly concerns him. This type of construction project includes barracks and other military objects and factories of strategic importance (wehrwirt-schaftlich wichtige Betriebe). Secondly, covert construction includes projects for East bloc nations. Examples of this are a project on the ABUS works in Wildau which manufactures gun barrels for the Russians; the MILUS plant in Berlin-Weissensee which will produce in 1952 80 lathes for the turning of gun barrels; the Daimler-Benz works in Ludwigsfelde which turns out tank motors. Projects undertaken for Satellite nations included the construction of chemical plants, Rumanian cement factories, turbine installations and transformer works in China, and special met-allurgical works. Letter and number designations indicate to informed employees the country and kind of project concerned.

SECRET/CONTROL